

Collections

BLM COLLECTIONS, 2004 - 2007 (\$000)

Collection Source	2004 Actual	2005 Actual	2006 Estimated	2007 Estimated
Sale of Public Lands	570,374	1,253,168	883,255	889,250
Miscellaneous Filing Fees	186	177	175	175
Mineral Leasing National Grasslands	1,988	2,488	2,488	2,488
Grazing Fees & Land Utilization Project Lands	11,840	14,540	14,752	14,752
Timber Sales & Vegetative Material	23,860	26,861	33,736	47,049
Recreational Use Fees	13,250	13,259	14,000	14,000
Mineral Leasing Naval Oil Shale Reserve	8,603	15,020	97,000	55,250
National Petroleum Reserve Alaska	5,349	64,106	41,000	23,000
Earnings on Investments	4,614	23,508	40,097	31,886
Sale of Helium	96,545	87,320	79,000	81,000
Mining Claim & Holding Fees	17,843	47,449	32,255	32,255
Service Charges, Deposits and Forfeitures	16,499	19,785	25,483	25,483
Other Collections	36,101	39,183	34,398	37,024
Total	807,052	1,606,864	1,298,639	1,329,412

2007 COLLECTIONS

In 2007, the BLM will collect an estimated total of \$1,329,412,000 in revenue. Revenue is collected by BLM from sources such as the sale of land and materials, grazing fees, timber sales, recreation use fees, and various filing fees. These collections assist State and local governments, support the General Fund of the U.S. Treasury, and offset charges for program operations where certain fees collected can be retained by the BLM.

In addition, in 2007 BLM's onshore mineral leasing activities will contribute directly to the generation of \$4.5 billion in receipts (bonuses, rents, and royalties collected by the Minerals Management Service). (These mineral leasing receipts are reflected in the MMS budget.)

Most collections accounted for in BLM's budget are expected to remain fairly flat over the next several years, experiencing only modest increases annually. Others, such as receipts from the sale of public lands; recovery of costs of processing applications for mineral leasing rights-of-way and processing documents related to energy and minerals; earnings on investments; and timber sales, are expected to increase significantly.

Each category is discussed below:

Sales of Public Land - This category includes receipts from the sale of public land, including land sales in Clark County, Nevada. Excluded from this collection source are the sales of timber and vegetative materials from the public domain land, sale of land and timber and vegetative materials from the Oregon & California Grant Lands and Coos Bay Wagon Road Lands, sale of land from Land Utilization project lands, sale of land and materials from reclaimed lands (reserved or withdrawn), and sale of town sites and reclamation projects.

The main source of collections in the Sale of Public Land category includes:

- **Southern Nevada Public Land Management Act Sales Proceeds** - The *Southern Nevada Public Land Management Act*, as amended, provides a process for orderly sale of certain public lands in Clark County, Nevada, near the city of Las Vegas. Approximately 50,000 acres of public land are within the disposal boundary area. Receipts generated by land sales under this statute are larger than anticipated in earlier budget estimates. The BLM has conducted land sales for seven years under the authority of this statute. The BLM estimates that collections in 2006 and 2007 will be \$806,705,000 in each year. Collections are reported when payments are received regardless of when sales are held and the estimates make allowance for the normal lag of 180 days between sales and collections. The estimate of \$806,705,000 is less than the actual collections of \$1,163,413,000 in 2005 based on a prediction that values and demand will decline slightly due to the location of lands that are left to be sold.

Currently, five percent of the proceeds are distributed to the State of Nevada, 10 percent to the Southern Nevada Water Authority, and 85 percent to the special account.

- **Southern Nevada Public Land Management Act – Interest.** The SNPLMA authorizes the Secretary to manage the collections account for the purposes set out above, and is also authorized to use interest generated from the above-mentioned funds. BLM is authorized to invest the unobligated balance of collections from SNPLMA and Lincoln County Land Act land sale receipts. Earnings on investments are projected to be \$31,886,000 in 2007, an increase of \$8,342,000 from 2005. The increase is due primarily to the significant increase in land sales receipts under those statutory authorities.
- **Federal Land Transaction Facilitation Act** - The *Federal Land Transaction Facilitation Act of 2000* authorizes the BLM to use certain proceeds from land sales to acquire privately owned inholdings and other lands with exceptional resource values within certain areas managed by the BLM, Fish and Wildlife Service, National Park Service, and the U.S. Forest Service. To qualify, lands sold must have been identified as suitable for disposal through a land use plan in effect on July 25, 2000, the date of enactment of the FLTFA. Proceeds are used by the Secretary of the Interior and Secretary of Agriculture. In 2005, receipts were \$10.2 million. At the end of the first quarter of 2006, the BLM had received a cumulative amount of \$65.0 million in receipts from land sales (This receipt amount will increase once full payment is made for lands sold in late fiscal year 2005 and the first quarter of fiscal year 2006). The BLM tentatively proposes 56

sales in 2006, totaling approximately 8,000 acres, and anticipates that these sales will generate approximately \$45 million; the BLM estimates sales of \$50.5 million in 2007. These estimates are fairly speculative, as parcels are not appraised when they are initially proposed for sale, may not be administratively cleared for sale (due to resource values unknown at the time they are initially identified), may not receive sale offers meeting the appraised value, or may command significantly higher values than anticipated when exposed to a competitive market. A portion of these proceeds will be used by BLM and the other land managing agencies to purchase lands. The budget request contains a proposal to expand and permanently extend FLTFA land sale authority but to reduce the portion retained by BLM. The Permanent Operating Funds chapter provides more information on the proposal.

- **Lincoln County Land Sales** – BLM collected \$42,832,000 in 2005 from a sale in the vicinity of Las Vegas, selling 13,328 acres at an average cost of \$3,570 per acre. For 2006 and 2007, receipts from smaller sales not close to Las Vegas are estimated to be \$900,000 in both years.

Miscellaneous Filing Fees - Collections in this category are primarily from fees received for filing or recording documents; charges for registration of individuals, firms, or products; and requests for approval of transfer of leases or permits under statutory authorities that do not permit BLM to retain and spend those collections.

Mineral Leasing-National Grasslands - Since 1983, the MMS is responsible for the collection and distribution of most mineral leasing receipts, however, the BLM administers and collects rentals from oil and gas pipeline rights-of-way associated with lands leased under the *Mineral Leasing Act* and the *Mineral Leasing Act for Acquired Lands*. The BLM pays 25 percent of mineral leasing collections on acquired lands to counties where the collections were generated. The BLM continues to collect first-year rentals and initial bonuses from mineral leasing but deposits these receipts directly into MMS accounts.

Grazing Fees from Public Lands and Land Utilization Project Lands - This category includes all grazing fees collected from public lands and Land Utilization Project lands administered by the BLM. It also includes certain receipts from Land Utilization Project lands, such as from mineral leasing. Grazing fees are collected under the authority of the *Taylor Grazing Act*, *Federal Land Policy and Management Act*, and the *Public Rangelands Improvement Act of 1978*.

From 1978 through 1985, public land grazing fees were based on a formula established in *PRIA*. The statutory authority for this formula expired on December 31, 1985. On February 14, 1986, the President issued Executive Order 12548 directing the continued use of the *PRIA* formula to set grazing fees for the public lands.

The grazing fee is updated annually based on index factors, including private land lease rates, beef cattle prices, and the cost of production. The Federal grazing fee for Western public rangelands managed by the Bureau of Land Management and the Forest Service will be \$1.56 per animal unit month (AUM) in 2006, down from \$1.79 in 2005. The newly adjusted fee, which

takes effect March 1, 2006, applies to nearly 18,000 grazing permits and leases administered by the BLM and more than 8,000 permits administered by the Forest Service. Grazing fees generally are collected within 30 days of the billing date, which follows publication of the new fee.

Grazing regulations authorize a surcharge to grazing fee bills for authorized grazing of livestock owned by persons other than the permittee or lessee, except where this use is made by livestock owned by children of permittees and lessees. This surcharge is equal to 35 percent of the difference between the 1999 grazing fee and the 1998 private land lease rate for the State where the pasturing agreement occurs. Anticipated grazing receipts reflect estimates of collections based on these fee rates.

In the past and currently, fifty percent of all grazing receipts collected under the *Taylor Grazing Act*, along with 50 percent of all receipts (including mineral receipts) from Land Utilization Project Lands transferred to the BLM by Executive Orders 10787 and 10890, are appropriated to the Range Improvement appropriation. As provided in the *Taylor Grazing Act*, *FLPMA*, and *PRIA*, these funds are available for the construction, purchase, and development of range improvements after they are appropriated by Congress. Appropriations are made from the receipts collected during the previous fiscal year. The 2007 Budget proposes to eliminate the Range Improvements appropriation.

Timber and Vegetative Material Sales -

- ***Timber Receipts from the Oregon and California and Coos Bay Wagon Road Grant Lands*** - In 2007, the BLM projects it will collect \$41,654,000 in timber receipts from O&C and CBWR lands. That is an increase of \$17,783,000 from 2005 to 2007. The projection is based on historical data, anticipated changes in timber demand, and local timber market conditions. The projection is also contingent on the resolution of existing litigation. The BLM projects that \$4,000,000 will be collected from salvage timber sales of the total \$41,654,000 collected. Court injunctions resulting from litigation reduced timber sales from 2002 to 2004. Consequently, the BLM collected less than average timber receipts in 2005 (\$23,871,000). Receipts are projected to increase by 74 percent from 2005 to 2007, due to the fact that the BLM intends to offer 218 million board feet for sale in 2006 from O&C and CBWR grant lands. In 2007, \$7,500,000 is expected to be deposited to the Timber Sale Pipeline Restoration Fund and \$5,200,000 to the Forest Ecosystem Health and Recovery Fund from timber sales in Western Oregon (see discussion below). The rest will be used to make payments to western Oregon counties under the authority of the *Secure Rural Schools and Community Self-Determination Act of 2000*. Payments are made annually to 18 O&C counties pursuant to this Act.

Of the Secure Rural Schools payments made for 2005 in 2006, 10 percent of the annual payment was derived from receipts from O&C lands. The remainder of the payments was derived from the General Fund of the Treasury. The receipt portion comes from any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust fund such as the Timber Sale Pipeline Restoration and Forest Ecosystem Health and Recovery Funds, which are discussed below. Any shortfall in the amount needed to make

the payments is derived from the General Fund of the Treasury. For more information on the Secure Rural Schools payments, see the Miscellaneous Permanent Payments chapter.

- **Timber Receipts from the Public Domain Forest Lands** - In 2007, the BLM expects to offer for sale 50 million board feet of timber products from public domain lands. In 2007, the BLM estimates collections of \$3,395,000 in timber sale receipts from public domain lands, \$672,000 less than collections in 2005. Collections from salvage timber sales on public domain lands are estimated at \$2,200,000 in both 2006 and 2007, compared to the \$3,176,000 collected in 2005. Ninety-six percent of salvage timber receipts will be deposited into the Forest Ecosystem Health and Recovery Fund, with the remaining four percent paid to the States in which the sales took place.
- **Timber Sale Pipeline Restoration Fund** - This Fund was established to address, in part, the need for a consistent supply of prepared and available timber for sale, in essence a "timber sale pipeline," for Western Oregon. Receipts from timber sales authorized by *Section 2001(k), P.L. 104-134* provided the start-up funding; all receipts from subsequent sales prepared by this Fund are deposited back into the Fund for preparing future sales. In 2007, \$7,500,000 from associated timber sales is expected to be deposited into this Fund.
- **Forest Ecosystem Health and Recovery Fund** - Forest health projects, including salvage timber sales, are prepared using the FEHRF, which was established in 1993 and amended in 1998 to fund forest health projects, including salvage timber sales, reforestation, and thinning of trees to improve stand density. All receipts, minus State shares, from projects prepared using these funds, as well as those from BLM salvage timber sales, are deposited into this Fund for future forest health projects (Refer to the Permanent Operating Funds section for additional details on the FEHRF). In 2005, BLM collected \$6,329,000 from salvage timber sales from public domain, O&C, and Coos Bay grant lands, which was deposited into the FEHRF. In 2006 and 2007, the BLM projects \$6,100,000 and \$7,300,000, respectively, will be generated by the sale of salvage timber and other forest products on public domain, O&C, and Coos Bay grant lands. These receipts will be deposited into the FEHRF.

Recreation Use Fees - Recreation use fees are derived from collecting fees on public lands at recreation sites, issuing recreation use permits, and selling Federal recreation passports such as the Golden Eagle and Golden Age passes. These funds are used to improve recreation facility conditions and user services at recreation sites where the fees were generated. In 2005, recreation fee collections were \$13,259,000. The BLM anticipates collecting \$14,000,000 in 2006 and 2007 under its recreation fee collection authorities.

The *Federal Lands Recreation Enhancement Act (FLREA) of 2004*, Title VIII of the *Consolidated Appropriations Act, 2005*, Public Law 108-447, provided a comprehensive restatement of Federal authority, including BLM's, to collect and spend recreation use fees. This statute replaced prior authorities enacted in the Land and Water Conservation Act, the Omnibus Budget Reconciliation Act of 1993, and the Recreational Fee Demonstration Program authority enacted in annual appropriation acts since 1996. During fiscal 2005, BLM switched to the authorities and arrangements enacted in the FLREA.

Mineral Leasing Naval Oil Shale Reserve - These receipts include revenue derived from the bonuses, rents, and royalties from mineral leasing under the *Mineral Leasing Act of 1920* that were collected from the developed lands within the Naval Oil Shale Reserve Numbers 1 and 3 in Colorado since the enactment of the *1998 National Defense Authorization Act*, amended in December, 2002. NOSR areas 1 and 3 were transferred to the BLM management by the *1998 National Defense Authorization Act of 1998*. Amendments to the *National Defense Authorization Act of 1998* appropriated \$1,500,000 in 2003 to perform studies to estimate the cost to restore the NOSR 3 site. The act also authorized an appropriation of those receipts to do the restoration work 60 days after a report was submitted to Congress. BLM completed an Engineering Evaluation and Cost Analysis at NOSR 3 including an evaluation of various cleanup or removal scenarios at the site. The final Engineering Evaluation and Cost Analysis was submitted to the Congress on November 2, 2005. The estimated cost of the preferred cleanup method is \$6,300,000, and that amount was appropriated in 2006.

The balance of the NOSR special fund account as of September, 2005, was \$35,515,120. Collections are expected to increase from \$15,020,000 in 2005 to \$97,000,000 in 2006. The projected increase is based on a forecast of a significant increase in the development and production of oil and natural gas from the site. BLM projects that all cleanup and DOE equipment costs will have been recovered by March 2007. The Secretaries of Interior and Energy will notify the Congress of that event, and deposits to the NOSR account will stop. The revenues will then be subject to the usual distribution under the Mineral Leasing Act, and the State of Colorado will begin to receive 50 percent of those revenues.

National Petroleum Reserve-Alaska – These are receipts from oil and gas mineral leasing in the National Petroleum Reserve-Alaska. The BLM distributes 50 percent of the collections to the State of Alaska and 50 percent to the General Fund of the U.S. Treasury. Collections were \$64,106,525 in 2005 and are estimated to be \$41,000,000 in 2006 and \$23,000,000 in 2007. The drop is because of lower bonus estimates from lease sales in those years.

Earnings on Investments- The *Southern Nevada Public Land Management Act of 1998* and the *Lincoln County Land Act of 2000* allow the investment of the funds held in accounts established by these acts in U.S. government securities. These receipts are invested in special non-marketable U.S. Treasury Securities, including bills, notes, bonds, and one-day certificates, which may be purchased and sold to meet operating needs and legislative requirements. Earnings on investments are expected to increase because of increases in the unobligated balances of the accounts, primarily due to the proceeds of sales of land in southern Nevada.

Sales of Helium - This category of receipts includes “in-kind” crude helium sales to Federal helium suppliers and open market sales. The Helium Privatization Act of 1996 requires the Department of the Interior to offer for sale, beginning no later than 2005, a portion of the Conservation Helium stored underground at the Cliffside Field north of Amarillo, Texas. Sales produced \$87,320,268 in 2005. Collections from annual sales are projected to decline to \$79,000,000 in 2006 and \$81,000,000 in 2007. Sales will continue through 2015 at which time this authority expires.

Mining Claim-Related Fees - The *Department of the Interior and Related Agencies Appropriations Act for 1989* provided that fees established by the Secretary of the Interior for processing actions relating to the administration of the General Mining Laws shall be immediately available to BLM for Mining Law Administration program operations.

Additionally, the *Omnibus Budget Reconciliation Act of 1993* provided that the annual \$100 per claim maintenance fee for unpatented mining claims and sites would continue through 1998. This authority was extended through 2008 in the *2004 Department of the Interior and Related Agencies Appropriations Act*. The law allows a waiver from the fee for those claimants who hold 10 or fewer claims. The Act also established a \$25 per claim location fee for new claims, to be paid at the time of recordation. On September 1, 2004, the maintenance fee was increased to \$125 per claim and the location fee to \$30 per claim, in accordance with the July 1, 2004 Department rulemaking pursuant to the statutory requirement that they be adjusted to reflect changes in the Consumer Price Index [30 U.S.C. Chapter 2, section 28(f) (g)].

Service Charges, Deposits, and Forfeitures - These receipts include revenue from providing special program services, such as rights-of-way application processing fees; wild horse and burro adoption fees; fees charged to timber sale purchasers when BLM performs work required by the contract; reimbursement to the government for damage to lands and resources; collections for processing disclaimers of interest applications; and photocopying fees. The collection and retention of each of these receipts are authorized through legislation.

The 2007 Budget includes a legislative proposal to repeal beginning October 1, 2007 a provision in the Energy Policy Act of 2005 prohibiting BLM from implementing new fees for oil and gas permit processing. Additional information is included in the Service Charges, Deposits and Forfeitures appropriation section.

Other Collections – Other receipts collected by the BLM are from land rentals for authorized commercial, industrial, and residential purposes; annual rentals from rights-of-way permits (except those issued under the authority of the *Mineral Leasing Act*); and from contributions. These consist of funds contributed to the BLM from non-Federal sources for projects or work authorized by the *Federal Land Policy and Management Act*, *Taylor Grazing Act*, *Sikes Act*, and other laws. Additional information on other collections is included in the Miscellaneous Permanent Payments, Permanent Operating Funds, and Miscellaneous Trust Fund chapters.

For example, collections from the recovery of costs for processing rights-of-way on mineral leasing and land applications are projected to increase by \$2,856,000 from 2005 to 2007.

Amounts Not Included in Collections – Payments to western Oregon counties under the *Secure Rural Schools and Community Self-Determination Act of 2000*, are made partially from receipts produced in those counties in the preceding year. Most of the amounts paid, however, are derived from an appropriation from the General Fund. Of the total of \$115,945,695 paid to the western Oregon counties in 2006 for 2005, \$104,594,316 was appropriated from the General Fund. Therefore, only \$12,068,243 of the payments is included as a BLM collection in 2005.

Annual payments of \$4,999,860 to the Calista Native Corporation under Public Law 101-165, 103 STAT. 1151, are also made through an appropriation from the General Fund. The payments, or portions thereof, that come from the General Fund are not included in the table above because they are not collections.

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